

THE TUDOR TRUST

**Annual Report and Accounts
2020/2021**

Company number 5196041

Registered charity number 1105580

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Trustees' report for the year ended 31 March 2021

Tudor's principles

Tudor's principles underpin all aspects of our work. We use them as a guide and touchstone when we are reflecting on our practice or considering challenging issues. In the year under review we consciously drew on our principles as we recalibrated our work and our approach in response to the Covid-19 pandemic. Our principles helped us interpret and react to rapidly changing circumstances. They shaped our responses to the challenges facing both the organisations and communities we support, and Tudor itself.

1. **Supporting communities** to drive their own positive change
2. **Investing in relationships** as the foundation of all we do - starting from a position of trust and demonstrating that we can be trusted
3. **Listening with intent:** always trying to hear the real voice
4. **Valuing people's time:** acting quickly where helpful and taking time where needed
5. **Drawing on learning, creativity and experience to offer flexible, practical support to people, ideas and communities**
6. **Making the most of our resources and independence and being open to challenge**

Introduction

We closed the office on 18th March 2020, in response to the Coronavirus pandemic. By 1st April the Tudor team was already settling into remote working and focused on maintaining a high level of support to our existing grant holders. We talked to as many of our grant holders as possible to offer flexibility around all elements of our funding, listened carefully to understand the challenges that groups were facing and made sure that payments went out quickly. Staff and trustees worked together to develop an initial response that was trusting, flexible and straightforward: something we built on over the rest of the year.

From the start of the pandemic, the trustees felt that it was important to maintain a horizon beyond the immediate emergency response to Covid, to provide some level of consistency and reassurance to groups as they adapted, regrouped and rebuilt. We committed to striking a balance between providing flexible support to our current grant holders while staying open to new applications. To support this dual focus, in June trustees agreed a 25% uplift to the grant budget they'd agreed at the Board meeting in March.

We worked across two fronts: flexing (and sometimes increasing or extending) our current grants and making small immediate support grants to help grant holders meet urgent needs in their communities, while also assessing new applications and making new grants through our regular committee meetings. All of these grants were delivered in a lighter-touch way which relied on high levels of trust within the funding relationship - one of our key principles. As we listened to groups throughout the year we also became increasingly aware of the strain their staff, volunteers and trustees were experiencing. In December 2020 the Board agreed a new programme of small wellbeing grants to address this, aimed at supporting the wellbeing of the staff, volunteers and trustees within the organisations we fund.

Racial inequity and injustice was at the forefront of our minds throughout the year, with the disproportionate impact of the pandemic on Black, Asian and other Minority Ethnic communities revealing and reinforcing the systemic links between poverty, poor health and racism. The murder of George Floyd, in May 2020, and the ensuing wave of Black Lives Matter protests, further exposed the systemic racism which causes harm and denies opportunity to so many. Since May, Tudor has been actively reflecting on where we are and where we should be as a funder that aims to support community-led change towards a more just and equitable society.

Throughout the year the staff team has worked with great commitment and adaptability to sustain our day-to-day grant making and the Trust's Covid response. This was done while dealing with the individual challenges imposed by the pandemic. Managing home schooling and child care; meeting wider caring responsibilities; coping with personal health problems; facing isolation, loss or bereavement: team members were dealing with all these issues and more while continuing to provide the best possible support to our grant holders and applicants. Tudor's trustees recognise the huge efforts of the staff team over the year, and wish to thank them for their dedication and resourcefulness, and for the care they have shown to our applicants and grant holders.

The trustees, too, stepped up to support Tudor's work over the year in new ways: working with staff to streamline grant assessment and decision-making processes; meeting more regularly to enable quicker decision making and sharing some of the responsibility for developing relationships with potential grant holders by taking part in Zoom assessment calls. Despite the challenges of remote working, in some ways the full Tudor team now feels better connected than ever.

As planned, Fiona Young, the Trust's long serving Head of Finance and Resources left Tudor at the beginning of April 2020. She kindly agreed to stay on as Interim Head of Finance until August 2020. The trustees would like to thank Fiona for her enormously valuable contribution to Tudor over more than 14 years. She has strengthened our financial systems and played a key role in developing our social investment portfolio. In July 2020 Aabida Mohmed joined the Trust and quickly made her mark - bringing her experience to bear on Tudor's finances, working with the Resources Team to ensure that all Tudor's systems supported remote working as effectively as possible, and giving focused attention to staff wellbeing. Tudor's trustees, and her colleagues, already value Aabida's fresh perspective and thoughtful and creative approach and look forward to meeting her in person over the year ahead!

The impact of Covid-19 has been deeply felt by the organisations we support, and the people and communities they serve. Over the last year we have adapted our thinking and priorities in response to the social, emotional and financial trauma unleashed by the pandemic, and we expect that we will continue to work in this flexible, responsive way over the years ahead.

Tudor funds smaller-scale groups working all over UK, addressing a huge range of issues. Over the last year we have been impressed, though not surprised, by the tenacity, commitment and ability to shift and adapt demonstrated by the hundreds of organisations we support. We continue to be inspired by their determination to make a real and lasting difference in the communities in which they work, and their commitment to their communities in such challenging times. We are pleased that we are able to provide some of the support that these groups need as they move towards an uncertain and often worrying future.

Structure, governance and management

On 1st March 1955 Sir Godfrey Mitchell endowed a charitable trust with a gift of shares in the construction company George Wimpey. In 1979 this trust became known as The Tudor Trust. The Tudor Trust's governing document is its memorandum and articles (incorporated 3rd August 2004 and amended by special resolution(s) dated 29th May 2014). The Trust was incorporated as a company limited by guarantee on 1st April 2005, with all assets and liabilities of the previous Trust being transferred to the current legal entity on that date. The company is also registered with the Charity Commission (registered 20th August 2004).

Trustees

The Trust's trustees are listed on page 55 of this report. The Board of Trustees appoints the trustees and while the articles of association provide for a minimum of six there are currently 15 trustees. In accordance with the articles, one-third of the trustees retired from office and offered themselves for reappointment at the annual general meeting of the company on 23rd September 2020. Trustees over the age of 70 serve for a term of one year, retiring from office and offering themselves for reappointment at each annual general meeting, if they so wish.

The composition of the Board is kept under review and if additional trustees are needed we look to recruit new members with relevant skills and experience. An induction programme and trustee handbook are provided for all new trustees and as part of their introduction and subsequent induction a new trustee meets key staff and attends a wide range of meetings and committees. Trustees also receive updates and informal training through briefing papers and newsletters, by taking part in regular meetings and discussions with applicants and grant holders and through attending in-house discussion, training and skill-sharing sessions. No new trustees were appointed in the year under review.

Decision making

The **Board of Trustees** normally meets three times a year and holds ultimate responsibility for the Trust. In the year under review the Board also held an extraordinary meeting, in June 2020, to discuss and agree Tudor's Covid response. The Board agrees the broad strategy of the Trust, reviews and confirms policy decisions, ratifies grant approvals and discusses financial and investment issues. A number of committees, sub-committees and groups support the work of the Trust.

- The **Trustee Committee** currently has seven members and reports directly to the Board. It normally meets every four weeks to review and develop grant-making policy, confirm grants and investigate and make decisions on more complex applications. The Trustee Committee also oversees the operation and activities of the Trust, whilst leaving the day-to-day decision-making to the management team. During most of the year under review the Trustee Committee met every two weeks, in order to support Tudor's Coronavirus response and facilitate quicker decision making.
- The **Investment Committee** currently has five members and reports directly to the Board. It meets quarterly, focusing on the development and implementation of Tudor's investment policy, asset allocation and the performance of investments.
- The **Audit Group** and **Remuneration Committee** also report directly to the Board.

- The **Delegated Decision Committee** normally meets every four weeks, reporting to the Trustee Committee. A member of the management team, usually the Director of the Trust, chairs the meeting, with other Grants Managers (in rotation) being members. The remit of the Delegated Decision Committee is to consider straightforward requests for continuation funding, requests to reassess or ‘flex’ a grant during its term and recommendations for development grants and Africa Group capacity-building grants. For much of the year under review the Delegated Decision Committee met every two weeks, in response to a higher level of flex grant requests.
- **Grants Meetings** report to the Trustee Committee and consider the majority of grant applications put before trustees. Three to four Grants Meetings take place every four weeks, with three or four trustees taking part in each meeting, alongside staff.
- The **Africa Group** runs a targeted grants programme promoting ecological agriculture in Zimbabwe, Kenya and Uganda, focusing on strengthening sustainable agriculture networks by resourcing centres of good practice and farmer-to-farmer learning. This group reports to the Trustee Committee.
- The **Complexity Friendly Funding Group** engages in learning and action research in order to gain insight into what complexity-informed practice might look like in Tudor’s context, with the aim of improving our grant making practice when supporting groups working in increasingly complex environments. This group reports to the Trustee Committee.
- The **Children and Young People’s Group** focuses on developing Tudor’s approach to funding work with children and young people. The group became more established over the year under review, beginning a listening and learning exercise with young people from youth-led organisations we support, and facilitating a funding application from The Listening Fund, a pooled fund which supports youth-focused organisations to develop their practice in listening to and responding to young people. The Children and Young People’s Group also reports to the Trustee Committee.

In 2020-2021 45% of the ‘mainstream’ (not Covid-related) funding committed over the year was agreed at Grants Meetings, 29% by the Trustee Committee, 24% by the Delegated Decisions Committee and 2% by the Africa Group. This breakdown is within the parameters set by the Board. More detail on the exceptional Covid-related grants made over the year can be found on page 8.

Day-to-day operation of the Trust

The trustees delegate the day-to-day management and operation of the Trust to the Director and the Head of Finance and Resources, Head of Grant Making and Head of Research and Information. This management team implements policies and strategy on the trustees’ behalf, giving direction and support to the staff. The Tudor Trust has three staff teams:

- The **Resources Team** maximises the effective use of the Trust's resources by managing its overall finances, investments, IT infrastructure and systems, human resources and the working environment.
- The **Grants Team** is responsible for the grant-making process through assessing new proposals, engaging with applicants, presenting applications to trustees and managing the grants portfolio.
- The **Information Team** is responsible for the effective management of Tudor's first-stage application process and for internal and external learning, communications, information and research work.

Grant-making policy and aims

The Tudor Trust operates for the public benefit. The ultimate beneficiaries of the Trust are the thousands of people that the groups we fund work with and support, rather than the groups themselves. The trustees have taken into account the Charity Commission's general guidance on public benefit when reviewing Tudor's aims and objectives and when planning future activities, setting grant-making policy and making grants.

When Sir Godfrey Mitchell endowed the charitable trust with an expendable endowment he specified that the trustees should be able to apply the funds to any charitable purpose. Over the years the breadth of these objects and powers has allowed the trustees to reassess how best we can make use of Tudor's funds, when this feels necessary. We know that many organisations value our consistent, relational approach to funding, so we made no changes to our funding guidelines for 2020-2021. We did however provide additional guidance throughout the year on how the Coronavirus pandemic was influencing our grant making and how applicants could best explain their work and plans in a time of great uncertainty.

Our funding guidelines set out the Trust's aims in the UK as follows:

The Tudor Trust wants to support smaller groups, embedded in their communities, which work directly with people who are on the edges of mainstream society in ways which encourage inclusion, integration and independence.

We don't have specific funding programmes designed to advance a particular agenda as we think that the groups we support are best placed to identify problems and develop solutions.

Our funding guidelines are broad because we want to support the work that groups really want to do. We seek to give those organisations we support the opportunity and practical tools to do the work that they know is needed.

Objectives and activities

Over the year Tudor funded work across the UK which met our overarching aim of addressing the many different needs of people at the margins of society. We also made grants in Africa under a targeted programme. Details of all the grants we made over the year, alongside a wider analysis of our grant making, are given in our *Grants review 2020-2021*, available on our website (www.tudortrust.org.uk) or on request from the Trust.

Our aim as a funder is to respond to the needs identified by our applicants, providing some of the resources they need to achieve their aims and make a positive difference within their communities. This responsive approach means that the grants we made during 2020-2021 supported a wide range of organisations across the UK including:

- An organisation supporting marginalised people through community volunteering in Hastings.
- An organisation offering outreach and practical, therapeutic and peer support for sex workers in Grimsby.
- A charity running a befriending project for older people with serious long-term alcohol problems in Edinburgh and the Lothians.
- A charity providing wide-ranging mental health support in Wrexham, North Wales.
- A charity delivering cross-community youth work in West Belfast.
- A community organisation in Sheffield working primarily with the Somali community.

Achievements and performance

At the beginning of the year under review Tudor's key objectives were:

- To make around 300 grants committing up to £19 million, supporting smaller-scale, community-based organisations to do the work they identify as most needed.
- To make grants reaching people at the margins of society.
- To develop our approach to relational funding, continuing to be an open, enabling and flexible grant maker providing useful and appropriate support to grant holders and applicants.

- To continue working towards becoming a ‘learning organisation’ and to encourage learning and knowledge exchange in the organisations we support.
- To continue to make the most effective use of the Trust’s resources.

With the advent of the pandemic an additional factor came to underpin these objectives: a commitment to sustaining our day-to-day grant making throughout the year while also providing thoughtful, flexible and timely support to our existing grant holders.

To make around 300 grants committing up to £19 million

- In March 2020 Tudor’s Board agreed that we should aim to make around 300 grants over the year, with a grants range of £18.5 million to £19 million. At an extraordinary Board meeting in June 2020 the Board agreed to raise the upper limit of our grant making to £24 million. At this meeting the trustees also agreed an intention to maintain our grant making at the level of at least £19 million over the next two years, 2021-2022 and 2022-2023.
- We made **1,052 grants** (2020: 344) totalling **£21.4 million** (2020: £20.9 million). The size of the average grant decreased to £20,389 (2020: £60,875).
- However 705 of these grants were ‘exceptional’ small Covid-related grants: 614 wellbeing grants of £2,000 and 91 immediate support grants of up to £2,000. When these grants, plus smaller-scale staff grants, development grants and Africa capacity-building grants are discounted the total number of grants made reduced to **310** (2020: 281) with an average grant size of **£64,377** (2020: £73,737).
- The analysis on pages 9 to 24 is based on our ‘mainstream’ grants: the 347 grants made over the year under our usual funding guidelines. This allows for sensible comparison with the previous year’s figures.

To make grants which support smaller-scale, community-based organisations to do the work they identify as most needed

- In 2020-2021 the regional distribution of our ‘mainstream’ grants (so excluding the 705 exceptional Covid-related grants which went to groups we were already funding) was as follows:

<u>Region</u>	<u>Number of Grants</u>	<u>Value of Grants</u>	<u>Percentage by Value</u>	<u>Percentage of UK Population</u>	<u>Grant per head</u>
					(UK only)
East Midlands	11	£642,675	3%	7%	£0.13
Eastern	11	£722,000	4%	9%	£0.12
London	56	£2,677,000	13%	13%	£0.30
North East	23	£1,399,340	7%	4%	£0.52
North West	37	£2,153,300	11%	11%	£0.29
Northern Ireland	11	£754,000	4%	3%	£0.40
Scotland	20	£1,146,675	6%	8%	£0.21
South East	23	£1,381,769	7%	14%	£0.15
South West	17	£1,035,300	5%	8%	£0.18
Wales	8	£546,951	3%	5%	£0.17
West Midlands	17	£886,000	4%	9%	£0.15
Yorkshire & the Humber	30	£1,689,800	8%	8%	£0.31
National/multi-regional	70	£4,484,100	22%	NA	NA
Overseas	13	£537,500	3%	NA	NA
Total	347	£20,056,410	100%	NA	NA

- These figures relate to grants made to groups which apply to us having read our funding guidelines - so our responsive grant making. This responsive approach mean that we see fluctuations in grants going to different parts of the UK from year to year. When reviewing our ‘give’ per region at the end of the year we focus on the grant per head figure, rather than the actual value of grants made, so that we can assess our grant commitments in relation to population figures.
- This year saw increased levels of funding going to Northern Ireland, London and the North West. Conversely, the grant per head figures for Wales and the East Midlands dropped quite significantly. With relatively few grants going to each region these figures can only offer a ‘snapshot’ of how our funding is distributed, but they do help us to decide where we should focus our efforts in terms of encouraging applications. One of the few positives to come out of the pandemic is that we are able to take part in more funding events: spending an hour and a half on Zoom rather than taking a day to travel to and from an event makes things more manageable. Over the last

year we have prioritised events in areas which are ‘cold spots’ for us in terms of applications received and funded.

- The most significant increase in funding this year was to groups with a national or multi-regional focus: 22% of our funding went to groups of this type in the year under review, compared with 17% in the previous year. This is primarily due to three significant grants going into pooled funds, for onward distribution: £450,000 to the Justice Together Initiative, a funder collaboration aiming to transform access to justice in the UK immigration system; £450,000 to The Listening Fund, a pooled fund run by the Blagrave Trust which supports youth-focused organisations to develop their listening practice and £220,000 to The Rosa Fund, to provide support to organisations led by and for Black and minoritised women.
- Tudor is committed to supporting smaller organisations which are embedded in their communities. In 2020-2021 56% of our mainstream grants went to organisations with a turnover of less than £250,000 (2020: 60%). 79% of our grants went to organisations with a turnover of less than £500,000 (2020: 83%).
- We want to make grants which support organisations to do the work that they think is most needed, and to fund in ways which contribute to the overall health of an organisation, rather than just a particular aspect of their work. This means that many of our grants are for core funding, covering things like key salaries and day-to-day running costs. In 2020-2021, by value, 88% of our mainstream revenue grants went towards core costs, rather than to specific projects (2020: 92%).
- Tudor funds organisations operating under a wide range of legal structures, not just charities, so we can’t always consider making a grant on an unrestricted basis. In the year under review we made 44 unrestricted grants: while this was an increase on the 20 unrestricted grants made in 2019-2020, it still represents just 15% of our core grants. Over the year ahead we will aim to make more unrestricted grants where it is possible and appropriate to do. This will involve being more intentional in finding ways of working ‘*from a position of trust*’ - a key requirement of one of our principles.
- In 2020-2021 25% of our mainstream UK grants went to community centres and resource centres, community development groups, community food projects, community gardens and growing schemes and local advice and advocacy projects - those crucial local organisations which often act as the ‘social glue’ within neighbourhoods, keeping communities strong, resilient and connected. These organisations were particularly important during the Coronavirus crisis.

To make grants reaching people at the margins of society

- Our funding guidelines outline our interest in supporting work which addresses marginalisation, however our applicants decide to define it, while also explaining how this sits alongside the other key characteristics and qualities we are looking for in the organisations we fund. While we wish to support work which addresses marginalisation and exclusion we are particularly interested in organisations which do this by understanding and fostering the strengths and potential held within their communities. In many cases their ability to do this is rooted in the lived experience of those steering the organisation. The principle of *‘Supporting communities to drive their own positive change’* underpins the approach we take when deciding which applications should go forward.
- Alongside our funding for ‘neighbourhood’ work addressing marginalisation within local communities, Tudor also supports groups which respond to marginalisation in a more targeted way, by working with particular communities of interest. So in 2020-2021 10% of our grants went to groups providing support to refugees and asylum seekers, 7% to work with a mental health focus, 5% towards work addressing homelessness and precarious housing and 4% to groups working with people with disabilities.
- Events over the last year demanded that Tudor, like other funders, reflected more deeply on racial equity in our grant making. In our previous annual report we noted that while we monitored the proportion of our grants going towards targeted work with Black, Asian or other Minority Ethnic communities or to groups led by members of racially minoritised communities, we didn’t have a way of separating out these two distinct strands. As a funder aiming to *supporting communities to drive their own positive change*, we committed to updating our coding systems so that we could make this distinction.
- Over the year under review we developed a new approach to understanding organisational leadership. On 1st April 2021 we introduced new questions within the first-stage application, intended to give us a better understanding of how work is led and steered by the community an organisation works with. Applicants can select from multiple descriptors - for example led by BAME people, led by Deaf or disabled people, led by lived experience, ‘neighbourhood’-led - on the basis that communities intersect and groups may be working across a number of different issues. When we report back next year we should be able to share a more nuanced sense both of who is applying to us and who we are funding - and equally importantly, not funding.
- Demands on the staff team during the pandemic meant that we weren’t able to introduce this new coding system during the year under review. However an increased awareness of racial equity during grant assessment and decision making meant that 20% of our UK grants by number (2020: 16%) and 24% by value (2020: 15%) went towards work with a BAME focus - though

as noted we are not yet able to report accurately on how much of this work was led by Black, Asian or other Minority Ethnic community members.

- Tudor is primarily a UK funder, but we also run a targeted grants programme promoting ecological agriculture in Zimbabwe, Kenya and Uganda. This programme is led by our Africa Group - a special interest group made up of trustees and staff - and focuses on strengthening sustainable agriculture networks by resourcing centres of good practice and farmer-to-farmer learning. In 2019-2020 the Group 'reset' its relationship with all of its regularly funded organisations by committing core grants running over five years. This resulted in grant commitments totalling £2.2 million. In the year under review the Africa Group took more of a holding position, focusing on sustaining and developing these core funding relationships, and nurturing potential strategic collaborations, rather than making significant new grants. The Africa Group committed £401,000 in grant funding over the year.

To develop our approach to relational funding, continuing to be an open, enabling and flexible grant maker offering useful and appropriate support to grant holders and applicants

- Tudor's trustees and staff believe that 'how' we fund is just as important as 'what' we fund. Relationships sit at the heart of what we do and in our view these relationships are stronger when based on mutual understanding and trust. Four of our key principles therefore cluster around the 'how' of our grant making: *Investing in relationships; Listening with intent; Valuing people's time* and *Using learning, our experience and creativity to offer flexible support to communities*. We used these principles as a guide as we adapted our way of working in response to the Coronavirus pandemic.
- Over the last few years we have worked hard at becoming a flexible funder, with grants managers aiming to establish the strong relationships with grant holders which provide the foundation for supportive and flexible grants management. We built on and intensified this relational funding approach as the pandemic hit: from the end of March into April we contacted as many of our grant holders as possible both to hear how they were coping and to offer reassurance around our funding and continuing flexible support.
- In March 2020 we signed up to London Funders' '*We stand with the sector*' statement, pledging to listen to our grant holders, adapt activities, outcomes and timeframes and offer flexibility in how funding was used. Building on this, in February 2021 we became a member of IVAR's *Open and Trusting Grant Making* community of practice, signing up to eight commitments intended to ensure that gains made around simplified and flexible funding are sustained beyond the Covid crisis.
- We provided support to grant holders in many different ways throughout the year, whether by unrestricting grants, agreeing a more focused change of use or a different grant period, or by offering flexibility around reporting,

with a phone call replacing a written report, for example. Grants managers also providing a listening ear and continued to offer guidance and support on an informal basis to grant holders, or put them in touch with sources of more specialist advice. We also made 15 development grants to support focused pieces of work to strengthen an organisation.

- We introduced immediate support grants in April 2020: small grants of up to £2,000 intended to support a group's response to urgent need in their community (often focused on food, tech or data). Trustees delegated decisions on immediate support grants to grants managers: the grant requests emerged from conversations between grant holder and grants manager, and this approach both recognised the importance of that relationship and speeded up decision making. We made 91 immediate support grants over the year, taking an average of four days to approve a grant.
- For the last few years we've had the ability to 'flex' approved grants, whether by increasing the amount of funding made available within the grant's term, or by extending the grant for a further period of time. In previous years we haven't used this facility very often. However in the year under review we made 44 flex grants, whether as additional funding to sustain an organisation as it responded to Coronavirus, or to extend a grant for another year without the need for a formal application. The Delegated Decisions Committee makes decisions on flex grants, and for much of the year this committee met every two weeks in order to speed up decision making: on average it took 14 days for a flex grant request to be approved. Flex grants played a vital role in our flexible funding toolkit during the pandemic, and we intend to embed them more firmly in our general grant making over the year ahead.
- We stayed open to applications throughout the pandemic, making grant decisions through our regular cycle of committee meetings and adding in additional meetings where necessary to facilitate quicker decision making. Tudor's trustees felt that it made sense to play to our strengths as a relational funder by continuing to make the longer-term core grants which would support organisations at a point when emergency funding was likely to be coming to an end.
- Managing a 'normal' level of day-to-day grant making while creating the space to provide more intensive support to grant holders meant that we had to make some adjustments to our approach: more trustee involvement in grant assessment and application development; lighter-touch due diligence; more streamlined paperwork and more exploratory and open discussions at grants meetings. This helped us to speed up decision making over the year. It took us on average 67 days to approve a grant for an application received in 2020-2021, compared to 87 days in 2019-2020.

- We were aware that lighter processes and quicker decision making had the potential to make us more risk averse - perhaps it might feel ‘safer’ to make shorter-term grants, or to focus funding on known organisations in this situation? Talking about this, and making the decision that any risk should sit with us as a funder rather than with groups working under pressure, meant that we continued to make the longer-term grants which are crucial to organisations navigating challenging terrain. In the year under review 38% of our grants were made over three years or more (2020: 41%). Similarly, it felt important to remain an open and accessible funder, willing to fund organisations we hadn’t funded before even when working in a quicker, lighter-touch way. In the year under review 33% of the groups we funded were new to us (2020: 39%).
- As a relational funder, we have always prioritised face-to-face engagement with applicants and grant holders, involving both staff and trustees in visits and in meetings at our office. This was of course impossible over the last year, so we moved to carrying out assessment calls on Zoom, involving trustees in these calls alongside grants managers where this was possible and helpful. This additional capacity allowed us to make more calls of this type - 249 over the year - and also enabled trustees to listen in an unmediated way to applicants, getting a stronger sense of the people behind the application and adding another perspective to the discussion at decision-making stage. Involving trustees more at this earlier stage also contributed to rooting our grant making more firmly in a relational approach.
- Visiting and meeting applicants and grant holders helps to build and strengthen trusting relationships while also giving us a stronger insight into their work and motivation: we were surprised that in many cases it felt as possible to build this kind of relationship on Zoom as it was in person. However it is harder to get a real understanding of ‘place’, and a sense of the social, regional and political context within which organisations are working, on a video call. While we envisage that video calls will be a useful addition to our assessment process in future, our sense is that there will often be times when a visit will be crucial in helping us really understand an organisation and its work, or in giving us a better sense of a place and the communities within it.
- As we talked to grant holders throughout the year, and tried to ‘*listen with intent*’ we became increasingly aware of the pressures under which staff, volunteers and trustees were operating. Organisations had adapted to provide the best support they could to their communities in extremely difficult and uncertain circumstances, with those working within those organisations also dealing with their own individual challenges. Our sense was that few organisations had either the headspace, or the resources, to prioritise team wellbeing, so in December 2020 Tudor’s trustees decided to offer small wellbeing grants of £2,000 to 635 of our current grant holders.

- These grants were agreed on the basis that supporting the wellbeing of staff, trustees and volunteers within the organisations we fund would help contribute to the overall health and resilience of those organisations, helping them to deliver their charitable purpose more effectively. We kept the process as light as possible - asking just for a grant acceptance email and a recent bank statement - and 614 groups took up the offer. The overall response was extremely positive, with many groups noting that the sense of being recognised, valued and thanked was as important as the relatively small sum of money. We will contact all the groups who accepted the grant in September 2021 with a brief online survey, asking how they used the grant and whether they think that supporting team wellbeing made a difference to their ability to deliver their work effectively. These responses will shape our future thinking on organisational resilience and wellbeing.

To work towards becoming a ‘learning organisation’ and to encourage learning and knowledge exchange in the organisations we support

- Just before the pandemic hit Tudor’s trustees had committed to a new ‘learning intention’ for the organisation: *“Tudor wants to use learning practices to explore how communities drive their own positive change and how we can best support them. By prioritising learning, as an organisation and as individuals, we intend to invest in this exploration and act on what we learn.”* By the beginning of the year under review we had reached a point where learning and reflection were more firmly ‘embedded’ into our daily work: having this foundation in place meant that we were in a stronger position as we moved to remote working and had to change the way we worked to meet the new demands we were facing.
- As we responded to the challenges of the pandemic we moved through multiple cycles of observing and listening, making quick decisions on the basis of ‘where we were’, trying things out, reviewing and adjusting. This applied across all areas of our work - how we received and managed applications; how we made payments; how we kept in touch with our grant holders and understood the challenges they were facing; how we kept in touch with and supported each other; how we could develop a lighter-touch approach to grant making while maintaining confidence in the decisions we made.
- This approach required flexibility, a degree of humility (we got some things wrong) and a shared willingness to try things out rather than debate endlessly. Overall the pandemic has helped us to understand more viscerally that being a ‘learning organisation’ is not an intellectual exercise: rather it has been crucial in helping us to survive, function, and sometimes improve over a period of uncertainty and challenge.
- The weekly initial assessment meeting, where we decide which applications will be taken to second stage, remained key to our learning.

Moving this meeting online allowed us to open it up to colleagues from different teams and also meant that a wider group of trustees could join the meeting more regularly. This brought new perspectives into the meeting and also exposed more of the Tudor team to the full range of applications we receive. Reviewing and discussing such a wide range of applications from all over the UK provides regular opportunities for sharing knowledge, comparing different approaches, refining our thinking around the characteristics we look for in the organisations we fund, and sometimes challenging ourselves and the status quo. In the year under review we talked more about power dynamics, bias and the expectations we place on applicants, and tried harder to surface the ‘*real voice*’ of community within applications.

- We maintained opportunities for learning within our four-weekly meeting cycle, another point at which our values of *Listening with intent* and *Investing in relationships* come into play. Normally a full day’s programme surrounds each grants meeting. Things were a bit different this year as our ‘opening sessions’ focused on keeping staff and trustees in touch with each other and with developments at Tudor and externally, and on sharing dilemmas and developing thinking. Grants meetings expanded to make space for wider discussion about how best to make grants during a time of crisis and a reflective period at the end of each meeting to assess how the changes we’d made to our grant making were working.
- Towards the end of the year we reclaimed some space for meetings with applicants and grant holders (beyond the usual assessment calls), and for focused learning sessions. In the year under review trustees and staff took part in discussions around racial equity and justice; the role of campaigning within the sector; the challenges facing organisations focusing on work with men and boys; issues facing migrant domestic workers; and what the leaders of small voluntary and community organisations need from their funders.
- To maintain momentum and connection between meeting cycles we established a new regular meeting for trustees on a two-weekly basis, to provide a reflective space, and shared updates and learning through a regular email bulletin. We also spent more time focused on learning at all team and staff meetings.
- Tudor is a generalist grant maker supporting a diverse range of organisations working across many different issues. Our open and inclusive approach means that it isn’t possible for us to evaluate the overall ‘difference’ our grant making makes to society as a whole. However we are interested in learning from our individual grants and in using that learning to inform our relationships with applicants, grant holders and the wider sector, and adjust and improve our wider practice and approach. We also aim to support our grant holders to develop approaches to monitoring and evaluation that work for them and which help them reflect on their work, and learn and improve.

- In normal times we ask our grant holders for written reports, which we read, respond to and learn from. This approach shifted during the year under review as we tried to reduce pressure on our grant holders. While some groups reported in writing as usual, perhaps to a different timescale, we also offered different options: shorter written reports followed up with a phone call; no written report at all, just a phone call or Zoom meeting; reports written for other funders and in some cases funding released on the basis of regular catch-up conversations rather than a year-end report.
- Over the last few years we have become less interested in checking outcomes, and more focused on organisations being accountable for their learning and how they use it. This approach felt justified during this time when ‘meeting outcomes’ was an impossibility for most organisations: what really mattered was their ability to learn, adapt and respond so that they could continue to support their communities.
- For some time we have been part of a group of funders and funded charities working with IVAR to test a set of principles intended to make grant reporting a shared, more meaningful and mutually beneficial experience. However this approach had not yet taken root in our regular practice before the pandemic. Our experience over the last year will help us as we look to integrate these principles more fully into our reporting guidance over the years ahead.
- Our wider thinking about learning and evaluation (both for ourselves and for our grant holders) continued to be informed by the work of two special interest groups - the Complexity Friendly Funding Group and the Children and Young People’s Group. The Complexity Friendly Funding Group is working within the tenets of Toby Lowe’s work at Northumbria University on trust-based funding in complex systems, investigating how Tudor might be a more creative funder of groups working in complex environments, and how we can think about accountability in different ways. This group is ably supported by Richard Jenkins, a Tudor associate, who has helped us develop our thinking around funding in complexity, while also acting as a critical friend on our wider learning journey.
- Throughout the year we continued to work with a small group of grant holders already working in complexity, to develop and test a more complexity-friendly funding approach. We also remained a member of a case study cohort which forms part of Northumbria University’s programme of action research around the ‘Human, Learning, Systems’ approach. As the year progressed, however, our sense was that the pandemic had accelerated our thinking about what it means to be an ‘HLS aware’ funder, with grants managers working in a more relational and flexible way with a much wider range of grant holders as, by necessity, they navigated ever more complex systems and circumstances. We increasingly see ‘complexity-friendly’ approaches manifested in our regular grant making, rather than viewing this as a separate strand of work.

- During the year members of the Children and Young People’s Group embarked on a series of learning conversations with young people from youth-led organisations, to understand more about the issues that are important to them, what ways of working support youth leadership and what the barriers are to creating the change that they want to see. We wanted these conversations to be exploratory and collaborative, not extractive, so ensured that we were able to compensate the young people involved for their time in ways which worked for them. These conversations, combined with the group’s involvement with The Listening Fund, will contribute to wider Tudor thinking about how we can improve our listening practice and what we will need to put in place to make sure that we act on what we hear.
- Like many trusts and foundations, in the year under review Tudor began a journey towards a better understanding of the history of racism, the inequity it perpetuates today and how it can be dismantled. Last summer trustees and staff met to share, reflect and listen, and agreed that we should start our work by looking inwards at our own understanding of racism and white supremacy. Supported by facilitators, staff and trustees have been taking part in a series of workshops, with a different focus for those who are Black, Asian or from other minority groups, and those who are White. In parallel, we also began a series of learning conversations with some of our Black and other minoritised community partners. We aim to listen and improve our understanding of how we can be a better funder of groups experiencing structural racism, particularly small grassroots groups.
- In September 2021, the full Tudor trustee and staff team will come together to discuss collectively actions that will move us forward, and the changes we need to make to embed racial equity in our grant making and within our wider organisational culture.
- During 2020-2021 we continued to share our grants data via 360 Giving, an initiative working to help UK grant makers to publish their data openly online, to an agreed standard. This allows data from many different funders to be shared and compared more easily, enabling learning and supporting decision making. This included sharing data on our Covid-focused funding, initially daily, to 360 Giving’s Covid-19 Grants Tracker from the beginning of April 2020.
- There were some aspects of our learning work which didn’t progress as planned during the year under review, particularly our exploration of principles-focused evaluation. This is an approach which helps organisations hold their values at the heart of what they do and assess whether they are living up to them. We have used our principles to help guide our decision making over the year, and ‘paused’ at various points to think about how and when we have applied our principles during the decision-making process, or whether our principles should have come into play, but didn’t. But we haven’t had the capacity to review some of our

grant-making data through the ‘lens’ of different principles, and use these findings to explore how well we have embodied our principles in practice.

To consider how we can make the most effective use of the Trust’s resources

- Tudor is committed to *making the most of our resources and independence*, thereby contributing to the health and strength of civil society. Using *all* our resources - not just our money - as effectively as possible is particularly important to us.
- Tudor’s approach to grant making relies on regular, focused engagement from our trustees, directed in ways which support and develop the work of the trust. Over the year under review Tudor’s trustees gave more of their time, energy and experience to the trust than ever before: meeting more frequently both to allow quicker decision making on grants and to provide enhanced support to the staff team; contributing to more Initial Assessment meetings and most significantly, taking part in assessment calls alongside grants managers. Trustees have been open to working in different ways and trying new things, all with the intention of enriching the Trust’s work over a turbulent period.
- The Delegated Decisions Committee (DDC) continued to operate throughout the year under review, with the staff team taking responsibility for making decisions on applications for continuation funding and flex grants, within agreed parameters. Over the year 37% of grant decisions were made by the DDC, a significant increase on the previous year, where DDC was responsible for 18% of grant decisions. This was due to our intensified focus on supporting existing grant holders during the pandemic. Trustees continue to believe that delegating decision making in this way releases trustee time and energy, while also making effective use of grants managers’ skills and experience, allowing them to steer the development of established funding relationships. Decisions on small immediate support grants, made to existing grant holders, were also delegated to grants managers.
- Our established partnership with the Four Acre Trust continued during 2020-2021, with their trustees committing £400,000 (2020: £250,000) to help resource Tudor’s grant making within the youth sector. Four Acre’s approach aligns closely with our own and their funding has allowed us to provide an enhanced level of support to some key youth organisations during this particularly difficult year. Tudor’s trustees are grateful to Four Acre for the trust they place in us, and are delighted that the partnership will continue into 2021-2022, with Four Acre allocating a further £400,000 towards grant support for youth projects over the year ahead.
- We recognise that the resources we have as an endowed charitable trust offer a level of freedom and independence which is unusual within the wider charitable sector. Working collaboratively is one way in which we can use this freedom and leverage our resources. In the year under review we continued to work with five other funders - City Bridge Trust, Esmée

Fairbairn Foundation, LankellyChase Foundation, Lloyds Bank Foundation for England and Wales and Paul Hamlyn Foundation - to explore the potential for a joint place-based initiative.

- LocalMotion aims to develop a piece of work which puts local people in the lead and which offers real learning about how we might rethink usual philanthropic practice. Although discovery and development work was inevitably delayed by the pandemic, at the beginning of the year six potential pilot areas were identified: Carmarthen, Enfield, Middlesbrough, Lincoln, Oldham and Torbay. Tudor has been closely involved in conversations taking place in Lincoln, alongside LocalMotion's Director of Collaboration. Over the summer the Boards of the six contributing funders will be meeting to discuss the final vision for the programme, and their own trust's contribution to the pilot phase.
- This kind of exploratory, speculative work is at the most engaged end of the collaboration spectrum: another, less engaged, approach is to contribute to a pooled fund, aligning our funds with others to maximise the resources focused on a particular issue. In the year under review we granted £1.1 million to three pooled funds: to support listening work with young people; work on access to justice in the UK immigration system and projects led by Black and minoritised women. While our primary contribution has been financial, Tudor staff have also supported these funds' grant making in different ways, contributing their time, knowledge and experience while also bringing new learning and an experience of different funding approaches back to Tudor.
- Endowed charitable funders are in a privileged position: our independence and freedom gives us the ability to speak out on issues without jeopardising our funding or losing public support. As a responsive, generalist funder, however, our usual approach is to use our platform to amplify the voices of the groups we support, recognising that they are the experts on the key challenges facing their communities, not us. While we tend to be known primarily as a funder of 'direct work' we also make grants to organisations which challenge injustice and inequality in their communities and wider society, particularly where this work is rooted in the lived experience of those they work with. Alongside this we can also make grants to organisations with a wider systems change agenda.
- For example in the year under review we made grants to The Equality Trust, which works to improve the quality of life in the UK by reducing socio-economic inequality; the Racial Justice Network, working to promote racial justice and challenge oppressive practices in West Yorkshire; and Participation and the Practice of Rights Project, which supports marginalised people in Northern Ireland to assert their human rights in practical ways. In our view this kind of work is strongly aligned with our principles, and with our overall aims as a funder committed to supporting organisations which address the root causes of marginalisation, as well as those who work with those who have been marginalised.

- Tudor’s trustees have operated a responsible investment policy for managing the Trust’s endowment for 20 years now, with the intention of aligning the use of our financial assets with our grant-making approach. In the year under review Tudor’s Investment Committee continued to debate how best to apply the investment principles which underpin this approach. At the beginning of the year the committee made the decision to divest from all companies deriving more than 5% of their turnover from nuclear energy: the final holding was sold in July. Throughout the year active debate took place around earth jurisprudence and the rights of nature, with committee members considering how a new investment framework could support a move away from a human-centric, exploitative and extractive approach to the planet.
- Social investment has been part of Tudor’s toolkit for over sixteen years, with our motivation being our wish to use all of our assets to achieve our aims. While there is now a broader ‘market’ of social investments than in the past we are increasingly selective about where we engage. Working to social investment principles established in 2020, we are now primarily interested in ‘disruptive’ social investments and in investments where we can work in a relational way with our investees, helping them to protect their mission and purpose. We made one new social investment in 2020, agreeing a further investment of £500,000 in Social and Sustainable Capital’s SASH Housing response to the ‘Everyone In’ initiative, intended to ensure that homeless people were safely housed during the pandemic. This took our total investment to £2 million.
- Tudor’s Resources Team came to the fore as the pandemic hit, ensuring that an organisation which has always been primarily office-based was able to function effectively while working remotely. The sudden transition to remote working was challenging for everyone, but the Resources Team made this possible by supporting colleagues with their home working set ups, ensuring our IT systems supported remote working, establishing new internal communication channels and moving our phone system to the cloud, re-establishing a more straightforward connection to the outside world. Our Database and Systems Manager, within the Information Team, also designed new processes and introduced database improvements to support effective remote working. All of these efforts meant that the full staff team, one of Tudor’s key resources, was able to work effectively, and without interruption, across the whole of the year under review.
- We saw significant changes within the staff team in the year under review. As noted already Aabida Mohamed took over from Fiona Young as Head of Finance and Resources in July 2020. Joanna de Havilland retired from her Grants Manager role, after 17 years with the Trust, in June 2020. During her time at Tudor Joanna provided great encouragement and support to the hundreds of groups she worked with, often helping them to think more deeply about the ways in which they assessed and evaluated their work. She also developed and introduced more proactive approaches to funding work with care leavers and with older people and was radical in her thinking

about the kind of grant maker Tudor should be. Joanna has been a hugely valued colleague - positive, kind and unfailingly supportive - and will be much missed by trustees and staff alike. We are delighted however that she will still be working with Tudor as a consultant for a short time, to support the final stages of an innovative piece of work around age activism.

- Jennifer Oatley (Grants Manager), Hannah Torkington (Programme Manager - Africa) and Annie Salter (Learning and Communications Manager) were on maternity leave at different points during the year. Suneer Fida, previously a paid intern, provided excellent maternity cover for the grants manager role, and was offered a permanent Grants Manager role after the year end, increasing our capacity. Trustees are very grateful to other team members, particularly within the Grants and Information Teams, who have shown great flexibility in covering various elements of the other roles. From January 2021 we brought in some additional resource from IVAR to support Tudor's wider learning work over the period of Annie's maternity leave.

Looking ahead

The year under review has been challenging for Tudor, though we are very conscious that we have been insulated from some of the most extreme effects by the resources and privilege we hold. The same cannot be said for most of the voluntary and community organisations we support, who have experienced great stress, uncertainty and instability over the last year and who continue to navigate difficult territory as they move into 2021-2022. Over the last year we adapted our approach and priorities to provide the best support we could to applicants and grant holders as circumstances changed, and we will continue to do this over the year ahead. On that basis these are our initial plans:

- In June 2020 the trustees agreed an intention to maintain our grant making at the level of at least £19 million over 2021-2022 and 2022-2023, feeling that it was important to be open about this at a time of great uncertainty in the sector. At their Board meeting in March 2021 the trustees agreed an enhanced grant commitment range of £19 million to £21 million for 2021-2022, across 300 to 330 grants. Giving will be monitored on a four-weekly basis by the Trustee Committee, with the Board reviewing the situation in July and November 2021.
- We introduced updated funding guidelines on 1st April 2021. While we haven't changed our overarching approach we have tried to respond to what we have heard from applicants over the last year by stressing our continued focus on core funding and multi-year support, explaining our thinking about reserve levels and acknowledging the challenges groups face when applying in uncertain times. We've found that many organisations have struggled to explain themselves and their work to a funder when their approach has had to change so radically in response to the pandemic, and when further change is likely in the future too. The updated funding guidelines are intended to provide some guidance and reassurance on this front.

- We also moved to on-line application from 1st April 2021, with the aim of simplifying things for applicants while also streamlining administration at our end, freeing up staff time to focus on more relational work with applicants and grant holders. As part of this new process we are now asking more detailed questions around organisational leadership at application stage. A key piece of work over the year ahead will be to think through how we can use this data to identify gaps in our grant making (who is not applying to us? who is applying but not reaching second stage and why?) and to develop strategies to address this.
- The development of a new grants management database will be a major piece of work over the year ahead. Some groundwork to support re-engagement with this project began in the year under review, with prototyping workshops involving three different developers and a broad cross section of the staff team then taking place in April 2021. We aim to appoint a development partner over the summer who will work with us to design a database which will support our iterative and flexible grant making process and strengthen our communication and relationship building with grant holders.
- Developing our thinking and practice around learning, by creating and protecting learning and reflection spaces within our meetings and wider conversations, will be another focus over the year ahead. We will work with trustees and staff, and the wider *Open and Trusting Grant Making* community convened by IVAR, to decide how we can build on the gains made around lighter touch, more trusting and less burdensome grant making over the last year. It feels important that we don't slip back into the old patterns of thinking and behaviour but instead reflect on what changes have been most positive so that we can tie them back into our regular practice. As part of this work we will investigate whether we can realistically offer helpful feedback to applicants we turn down at first stage. Lessons learned from the Complexity Friendly Funding Group, and the Children and Young People's Group, will be shared with the wider trustee and staff group and we will think through how these can feed into our wider grant making.
- We have described the work we have begun on making the transition to being a funder that works towards racial equity. So far this work has been slow and careful. From the summer we intend to build on this listening and learning phase and move to action, deciding what changes we need to make both in our internal operations and in our funding approach, so that we can more effectively support work led by Black people and those from other racially minoritised communities. The pandemic delayed work on the wider diversity, equity and inclusion agenda, including work on the Diversity principle under the Charity Governance Code for larger charities, and assessing our policies and practices against the nine pillars of stronger foundation practice in Diversity, Equity and Inclusion outlined by the Association of Charitable Foundations. We intend to re-engage with this work over the year ahead.

- The year ahead is likely to be one of transition for Tudor, as for many other organisations. We will be reviewing our approach to grant making, building on some of the unexpected positives uncovered over the last year and incorporating learning drawn from many different strands of work. We will explore with Tudor's trustees and staff team how we can rethink our working culture to accommodate more flexible working patterns, while retaining and expanding the trust and shared understanding of our values which lie at the heart of our work.
- This work will underpin our continued concentration on making good grants. Tudor's primary focus remains unchanged: we wish to provide useful, flexible and timely support to voluntary and community organisations which promote positive changes in people's lives and in their communities. What may change is our understanding of what this support should look like, our openness to funding a broader range of organisations and work, and our sense of what positive change can mean for different communities.

Financial review

Charitable expenditure

As noted earlier in the report, during the Coronavirus pandemic Tudor focused on maintaining a high level of support to existing grant holders, while also staying open to new applications. This was made possible by raising the upper limit of the grant making budget from £19 million to £24 million for the 2020-2021 financial year. This decision was made at an extraordinary Board meeting held in June 2020, and it enabled Tudor to enter into new grant commitments to the value of £21.4 million (2020: £20.9 million), comprising 1,052 (2020: 344) individual grants.

The uplift in both the value and number of grants has been driven by small-scale Covid-related grants, which are largely not expected to continue into future financial years. Note 5, on page 39 of the financial statements, provides further analysis of the grant commitments made in the year. Throughout the year, trustees regularly reviewed the overall level of grants being committed: the level of funding recommended by the Delegated Decisions Committee and the Grants Committees and the level of funding approved by the Trustee Committee. Grants commitments remained within the upper limit of the budget set for the year, and the level of grant making undertaken by the various Committees was within the parameters set by the Board.

When deciding how much Tudor might commit during the year, trustees bear in mind the needs of communities the Trust currently works with and those we hope to engage with in the future. In line with a policy adopted some years ago, which is periodically reviewed, Tudor's expenditure continues to exceed its income. Net charitable expenditure for the year was £18.3 million (2020: £16.4 million) and was funded through capital withdrawals from the expendable endowment. The trustees monitor the long-term real return of the portfolio and recognise that, in some years, this will result in the underlying value of the fund increasing and in other years diminishing. At this year's balance sheet date, the investments were valued at £291.5 million (2020: £239.2 million), reflecting the rallying of the markets after the initial downturn at the start of the pandemic. The market movement on the investments has turned the year's net charitable expenditure position of £18.3 million to a surplus of £45.8 million (2020: £17.1 million deficit).

Conversely, income earned on Tudor's investment portfolio this year has fallen to £4.4 million (2020: £5.9 million). This reflects the caution exercised by companies in paying out dividends during the pandemic and the continuation of low interest rates from the tail end of the previous financial year.

Another source of income in the year was the continued partnership with the Four Acre Trust, who contributed £0.4 million towards Tudor's grant making in the youth sector, a contribution which will be matched in the 2021-2022 financial year. Tudor also secured a grant of USD 150,000 (£106,000) for a

project which aims to strengthen the newly established African-wide Healthy Soil Healthy Food Initiative in Kampala, Uganda.

In line with the uplift to the grant-making budget, charitable expenditure increased to £23.2 million (2020: £22.6 million). This rise in expenditure is, almost in its entirety, due to the increase in grant commitments in the year.

The trustees set a budget for support and administrative costs at the start of each financial year. Actual expenditure against budget is monitored on a monthly basis during the year and reported to both the Trustee Committee and the Board at regular intervals. The total cost of supporting Tudor's grant-making activities for the year was £1,732,000 (2020: £1,698,000). This small uplift in expenditure reflects the increase in hours of some part-time staff, as we scaled up our grant-making activities in the face of the pandemic.

Expenditure on professional support costs, representing fees paid to external consultants and professional advisers in support of grant applications and ongoing grant work, was £48,000 this year (2020: £80,000). The support needed by grant holders and applicants during the pandemic could, in the main, be provided by the staff team. Furthermore, due to necessary public health restrictions, it was not possible to hold the convening events in person which have previously driven costs in this area.

Perhaps inevitably a few of the projects Tudor has supported closed during the year, resulting in the cancellation of the associated grant balances. For the second consecutive year we have seen the level of grants cancelled or withdrawn reduce. This year grant cancellations and withdrawals totalled £94,000 (2020: £108,000): two (2020: one) grants were fully withdrawn, with adjustments made to six (2020: 10) others.

As an endowed foundation, Tudor does not engage in public fundraising and does not use professional fundraisers or commercial participators.

Remuneration

The trustees consider the Board of Trustees, the Director, Head of Finance and Resources, Head of Grant Making and Head of Research and Information as the key management personnel of the charity, in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. During the year five of the trustees were remunerated and their remuneration is set out in note 5 to the accounts on page 40. This remuneration is paid in accordance with Tudor's memorandum.

Trustees are required to disclose all relevant interests and register them with the Head of Finance and Resources and, in accordance with the Trust's conflicts of interest policy, withdraw from decisions where a conflict of interest arises. The Chair reviews the conflicts of interest register.

The remuneration of the paid trustees, Director, Head of Finance and Resources, Head of Grant Making and Head of Research and Information is reviewed annually and usually increased in accordance with the Consumer Price Index. The trustees and Director's salary are reviewed by the Remuneration Committee and the staff salaries are reviewed by the Trustee Committee. Staff salaries are also bench-marked with grant-making charities of a similar size and activity on a regular basis to ensure that the remuneration set is fair and not out of line with that paid for similar roles.

Investments

Tudor has adopted an investment policy for its expendable endowment which seeks to optimise performance through a diversified asset portfolio applying a medium risk strategy. This is reflected in its asset allocation as shown in note 7 on page 42. The performance of the portfolio is monitored monthly and reviewed on a quarterly basis by the Investment Committee. At these meetings trustees discuss investment strategy and asset allocation. Investment performance and market trends are discussed with the Trust's investment managers at regular meetings.

Tudor has operated a responsible investment policy for 20 years. It seeks to invest in companies that demonstrate socially responsible values and which offer the potential for sustainable growth in the future. This positive, long-term approach to investing is a key part of the strategy for the portfolio. Negative screening, where industry sectors or companies are excluded from investment, may limit future opportunities - however some investments are not held as they are inimical to the work of the Trust.

In July 2016, following an extensive period of review, the Board updated its Investment Principles. The new Investment Principles continue to promote the mission of the Trust (supporting the many different needs of people at the margins of society). Tudor has aligned its assets with the Trust's philanthropic principles in a manner that resonates with our grant-making strategy. This investment approach highlights areas that continue to be actively debated by the Investment Committee and during the 2019 financial year the Board agreed that Tudor would divest from investments in oil and gas companies. The Investment Committee considers at each meeting areas for ongoing discussion and this year has discussed nuclear, governance, earth jurisprudence and the rights of nature. Trustees regularly review these factors and in May 2020 decided to not hold investments in companies that derive more than 5% of their turnover from nuclear energy. All of Tudor's investments align with our investment principles.

Tudor remains a long-term social investor in ameliorating society's ills and its investment strategy continues to look for long-term performance rather than short-term gain. The trustees believe that taking a responsible, long-term approach to investment will ultimately improve returns.

Sarasin manages a global equity portfolio for Tudor: the Responsible Fund. At the year-end Tudor's equity portfolio was valued at £192.6 million (2020:

£143.0 million). Liontrust manages Tudor's SRI Corporate Bond Fund, which was valued at £60.2 million (2020: £57.4 million) at the year end.

A combination of prior year withdrawals from the investment portfolio and current year repayments from the Paloma Real Estate Funds I and II have largely sustained Tudor's activities in the year. In addition, to rebalance the portfolio, £5 million was taken out of equities and £2.5 million from the corporate bond fund during the year. This was to guard against markets overheating and to ensure that Tudor was not a forced seller in turbulent markets.

The market value of Tudor's investments at 31st March 2021 was £293.8 million (2020: £241.3 million), including social investments. The portfolio at this date comprised 65% UK and global equities, 20% fixed interest holdings, 3% in Real Estate Funds, 11% in cash and 1% as social/unlisted investments (2020: 59%, 24%, 5%, 11% and 1% respectively). Cash flow requirement is reviewed at each Investment Committee meeting.

Financial markets have been volatile during the financial year, largely due to the coronavirus pandemic, but then settled into a period of growth which is not expected to continue indefinitely. As Tudor holds an overseas equity portfolio the Investment Committee has agreed to allow Sarasin to hold forward foreign exchange positions to mitigate the effect of sterling movements. Valuations have seen large swings in the year, sometimes on a monthly basis. We end the year with a reduction in the social investments provision and investment gains totalling to £65.2 million (2020: loss of £1,000).

Tudor's portfolios are all managed against a range of indicators and benchmarks deemed to be appropriate by the trustees. The trustees are committed to seeking good long-term performance from the funds and therefore monitor the performance of the equity portfolio against the MSCI All Countries World Daily. During the year the Responsible Fund outperformed its benchmark by 1.6% for the year (2020: outperformance of 8.1%). The Corporate Bond Fund is managed against a bespoke benchmark and during the year has outperformed its benchmark by 4.38% (2020: underperformance of 0.82%). The Investment Committee continues to review and discuss performance on a quarterly basis.

Social investments

Tudor has been interested in using part of its endowment for social investment for a number of years. The trustees have continued to discuss how social investment might enhance Tudor's work and how this is best reported. We look for good opportunities for social investment which are closely aligned with Tudor's aims, but are mindful of the time and resources well-judged social investment requires and the need to balance this with Tudor's core work as a grant maker operating in a difficult funding environment. At the year end the value of social investments held was £2.3 million (2020: £2.1 million), representing 0.79% (2020: 0.86%) of the endowment.

During the year, Tudor extended its commitment to Social and Sustainable Capital's Building Fund by a further £0.5 million. This brought the total commitment to £2 million, with £0.60 million paid away by the balance sheet date.

There have been no other changes to the social investment portfolio during the year. Repayments on the CLT Fund I have been very slow and the closure of the Fund was extended again to September 2020, with reporting now included with CLT Fund II.

The trustees review the value of social investments annually and this year agreed to make a number of further provisions to the investments.

Reserves

Under the terms of the Trust Deed, the Unrestricted Fund is expendable at the trustees' discretion. All unexpended funds are therefore held in the Unrestricted Fund. The trustees intend to continue monitoring the value of the Fund in real terms to ensure that they are able to achieve both income and capital appreciation so as to maintain the existing level of charitable giving for the foreseeable future. At the year end the value of unrestricted reserves held was £272.5 million (2020: £226.8 million).

Risk management

The trustees are responsible for establishing and monitoring internal control systems within the Trust. They review the major risks which may impact on the operations of the Trust on an ongoing basis and are satisfied that the system of internal controls currently in place is adequate, whilst recognising that it is designed to manage rather than eliminate risk. Internal controls are reviewed on an ongoing basis as part of the day-to-day risk management process within the Trust.

The trustees continue to consider the principal risk to the Trust is that of not fulfilling its core purpose: good grant making. Failure to maximise the opportunities afforded an independently-endowed grant maker would be damaging to the communities we work with and those we might work with in the future. In order to mitigate this we regularly review our grant-making practices and monitor and evaluate grants made.

Tudor's resources are also subject to the unpredictability of the financial markets. To mitigate this risk the trustees review the asset allocation and fund performance at each Board meeting. The Trust also retains expert investment managers. Lack of resources would affect our ability to make available as much funding support as we might like and to deliver the objectives set out in our funding guidelines.

Auditor

Sayer Vincent LLP has indicated its willingness to continue in office.

Statement of trustees' responsibilities

The trustees (who are also directors of The Tudor Trust for the purposes of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of Tudor Trust on 7 July 2021 and signed on their behalf by:

Ben Dunwell
Chair

Francis Runacres
Trustee Director

Statement of Financial Activities
 (incorporating an income and expenditure account)
 Year ended 31 March 2021

	Notes	Unrestricted 2021 £000	Restricted 2021 £000	Total 2021 £000	Total 2020 £000
Income					
Donations	13	-	506	506	257
Investment income	2	4,355	-	4,355	5,947
Total income		4,355	506	4,861	6,204
Expenditure					
Costs of raising funds					
Investment Management Costs	3	1,093	-	1,093	692
Expenditure on charitable activities					
Grantmaking					
Grants approved	4/5a	21,049	400	21,449	20,941
Grants withdrawn	5a	(94)	-	(94)	(108)
Management of grants	5b	1,732	-	1,732	1,698
Professional support costs	5b	48	-	48	80
Governance costs	5b	17	-	17	17
Cost of grantmaking		22,752	400	23,152	22,628
Total expenditure		23,845	400	24,245	23,320
Net (expenditure)/income before gains and losses on investments		(19,490)	106	(19,384)	(17,116)
Net gains on investments	7	65,111	-	65,111	72
Decrease/(increase) in provisions on social investments	8	67	-	67	(73)
Surplus/(deficit) for the year and net movement in funds		45,688	106	45,794	(17,117)
Funds balance at beginning of year	13	226,803	302	227,105	244,222
Funds balance at the end of the year	13	272,491	408	272,899	227,105

The statement of financial activities includes all gains and losses recognised in the year.
 All incoming resources and resources expended derive from continuing activities.
 A copy of the 2020 Statement of Financial Activities is included at note 21

Balance Sheet

As at 31 March 2021

Company number: 5196041

	Notes	2021 £000	2020 £000
Fixed Assets			
Investments	7	291,451	239,200
Social investments	8	2,327	2,078
Tangible assets	9	930	980
		<u>294,709</u>	<u>242,258</u>
Current Assets			
Debtors	10	270	286
Cash at bank and in hand		1,781	6,178
		<u>2,051</u>	<u>6,464</u>
Current liabilities			
Creditors: amounts falling due within one year	11	(15,550)	(14,528)
		<u>(13,498)</u>	<u>(8,064)</u>
Total assets less current liabilities		281,210	234,194
Creditors: amounts falling due after more than one year	12	(8,311)	(7,089)
		<u>272,899</u>	<u>227,105</u>
Net assets		272,899	227,105
Funds			
Unrestricted fund	13	272,491	226,803
Restricted fund	13	408	302
		<u>272,899</u>	<u>227,105</u>

The financial statements were approved and authorised for issue by the Trustees of the Tudor Trust on 7 July 2021 and signed on their behalf by:

Ben Dunwell
Trustee/Director

Francis Runacres
Trustee/Director

Statement of Cash Flows

Year ended 31 March 2021

	2021 £000	2020 £000
Net cash used in operating activities (note 14)	(21,357)	(21,026)
Cash flows from investing activities:		
Interest and dividends	4,355	5,947
Proceeds from sale of investments	90,055	77,533
Purchase of investments	(74,786)	(48,410)
Forward foreign exchange transactions	2,425	(1,847)
Repayments from social investments	204	111
Purchase of social investments	(446)	(505)
Purchase of fixed assets	(13)	(6)
Net cash provided by investing activities	21,794	32,823
Change in cash and cash equivalents in the year	437	11,797
Cash and cash equivalents at the beginning of the year	32,552	20,755
Cash and cash equivalents at the end of the year (note 15)	32,989	32,552

Notes to the annual accounts 2020/21

1. Accounting policies

a) Basis of accounts preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

Tudor is a public benefit entity as defined by FRS 102. Tudor is also a Charitable company limited by guarantee and is incorporated in the United Kingdom. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. The registered office address is 7 Ladbroke Grove, London, W11 3BD.

In view of the level of investments held at the balance sheet date the trustees are of the opinion that the Trust is a going concern. The trustees consider this at each board meeting and are of the view that the Tudor Trust will remain able to meet its commitments as they arise for a period of at least 12 months from the date of this report. The Trust has no material uncertainties.

The results of the subsidiary The Family Centre Trust have not been consolidated with the Trust's accounts in the year to 31 March 2021 or prior year. This is due to the immaterial nature of the transactions through this charity during the year. Further details of the Family Centre Trust are given in note 18.

b) Investments

All investments are stated at market value. It is the Trust's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising. As a result the Statement of Financial Activities (SOFA) only includes those unrealised losses or gains arising from the investment

portfolio throughout the year. Any change in fair value will be recognised in the statement of financial activities.

During the year Tudor has taken sterling hedge positions against the effect of fluctuations in the Euro and US dollar as Tudor's equity portfolio is mainly held in these currencies. Provisions are recognised on a monthly basis. The hedge position is realised on a quarterly basis and the resulting cash movement is recognised through the SOFA. The accounting policy for financial instruments is included as note 1 l).

Social investments are carried at fair value where practicable otherwise at cost less impairment. Such investments are subject to regular review, and any diminution is charged to the SOFA. Investments valuations are not enhanced to more than original cost. Tudor considers all social investments to be mixed motive investments, rather than programme related investments.

c) Investment income

Investment income is stated on an accruals basis and includes the related tax credit. As a charity the Trust has an exemption to income tax and capital gains tax granted by HM Revenue and Customs.

d) Voluntary income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

e) Tangible fixed assets

Fixed assets acquired with a value below £1,000 are evaluated for capitalisation based on the economic benefit derived in use. All other assets are capitalised on acquisition.

The value of freehold land cannot be separately identified as such the entire cost of the freehold property is depreciated. The impact of this is not material. Depreciation is calculated to write-off the cost less residual value of tangible assets on a straight-line basis over their estimated useful economic lives as follows:

Freehold building	Fifty years
Furniture, fittings and equipment	Five to ten years
Computer equipment	Three to five years

f) Resources expended

i. **Cost of generating funds**

The fees due in respect of investment managers' services are charged against income as the cost of generating funds.

ii. **Charitable donations**

Grants awarded are charged in full against income when a grant has been approved by the Trustee Committee and communicated to the recipient; hence the Trust is considered to have a legal or constructive obligation, irrespective of the time period it may cover. Grants awarded but unpaid at the balance sheet date are recognised as grant commitments under creditors. Grants withdrawn or cancelled in the year are credited against new grant commitments made in the same year.

iii. **Support costs**

All expenditure incurred in the course of grant making is shown as support costs. Resources utilised for this purpose are defined as staff time, office expenses, accommodation and IT costs. As noted below no costs are allocated to governance costs.

iv. **Governance costs**

Governance costs relate to direct expenditure incurred in compliance with the constitutional and statutory requirements of the Trust. Due to the way in which the Trust works it is difficult to attribute a meaningful breakdown of staff costs and other support costs relating to governance work.

g) **Exchange gains and losses**

All realised and unrealised exchange gains and losses on investments are accounted for in the SOFA.

h) **Leased assets**

The cost of operating leases is charged to the Statement of Financial Activities on a straight line basis.

i) **Pension schemes**

The Trust makes payments to defined contribution pension schemes on behalf of employees. The assets of the schemes are held separately from those of the Trust in independently administered funds. The pension cost charge represents contributions payable to the funds during the year. The Trust has no liability under the schemes other than the payment of those contributions.

j) **Funds**

All unexpended funds are held in the General Fund (expendable endowment) which can, under the terms of the Trust Deed, be used at the discretion of the trustees.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

k) VAT Status and Irrecoverable VAT

Tudor cannot be registered for VAT. All VAT suffered by the Trust is irrecoverable and all expenditure is stated gross of VAT.

l) Financial instruments

With the exception of the listed investments described above and derivative financial instruments as described below, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The Trust uses forward foreign currency contracts to reduce exposure to foreign exchange rates. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives at the reporting date are taken to the relevant income/expenditure heading(s) in the SoFA as appropriate.

The Trust does not currently apply hedge accounting for foreign exchange derivatives.

m) Cash at bank and in hand

Cash at bank and cash in hand includes the regular bank account. Short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account are reported within fixed asset investments as cash, but are included within the statement of cash flows as cash and cash equivalents.

Notes to the Accounts

2. Investment income

	2021 Total £000	2020 Total £000
Dividends and Interest		
Equity investments	1,842	2,659
Fixed interest	2,109	2,477
Real Estate Fund distributions	328	469
Social investments	31	175
Bank interest	45	167
	4,355	5,947

3. Investment management costs

	2021 £000	2020 £000
Investment management fees	1,089	688
Accountancy fees re tax reclaims	4	4
	1,093	692

4. Analysis of grants by classification

	% by number of grants	Number	2021 Total £000	% by number of grants	Number	2020 Total £000
Grants by classification						
Youth	13	139	3,414	8	28	1,921
Older People	2	18	331	2	7	365
Community	52	545	10,769	49	167	10,398
Relationships	11	117	2,464	8	29	1,434
Housing	6	64	902	6	20	1,304
Mental Health	7	72	1,316	6	22	1,602
Substance Misuse	2	18	469	-	1	50
Learning	1	12	287	1	4	106
Financial Security	1	16	420	1	5	371
Criminal Justice	4	39	564	5	13	957
Overseas	1	12	513	14	48	2,433
	100	1,052	21,449	100	344	20,941

A full list of grants is available from the Trust's website <http://tudortrust.org.uk/downloads> or by application for a printed copy.

5. Expenditure

a) Grants approved

	2021 Number	2021 £000	2020 Number	2020 £000
Mainstream grants approved during the year	347	20,056	344	20,941
Immediate support grants made during the year	91	165	-	-
Wellbeing grants made during the year	614	1,228	-	-
Grants cancelled or adjusted during the year	(8)	(94)	(11)	(108)
	1,044	21,355	333	20,833

The number of fully cancelled grants in the year was two (2020: one), adjustments were made to six other grants (2020: 10).

b) Resources expended

		2021 Total £000	2020 Total £000
Management of grants			
	Staff costs	1,342	1,218
	Office expenses	120	119
	Depreciation	63	64
	Accommodation costs	30	57
	IT costs	89	131
	Trustee remuneration	88	84
	Trustees' expenses	-	25
		1,732	1,698
Professional support costs		48	80

Professional support costs include amounts paid to consultants and professional advisors who are providing beneficiaries with expert support. They also include costs associated with work around new grantmaking approaches and the implementation of Tudor's values.

Governance costs

	Legal & professional fees	-	-
	Auditor's remuneration	17	17
		17	17

5. Expenditure (continued)

The Trustees are reimbursed for out-of-pocket travel and subsistence expenses. During the year, one trustee (2020: 15) received reimbursement of £49.45 (2020: £25,372.93) for travel expenses.

There is provision in the Memorandum of Association that no more than half of the trustee board can be offered reasonable remuneration. Members of the Trustee Committee can work up to 60 days a year for the Trust with other trustees working up to 25 days.

	2021 Total £000 £	2020 Total £000 £
James Long	25	25
Monica Barlow	25	25
Shilpa Shah	22	19
Holly Baine	8	8

In addition on 4th July 2014, following a change to Tudor's memorandum, the Charity Commission gave its consent to remunerate Christopher Graves (a trustee) in his role as Executive Director of the Trust. This is a role that he held on an unpaid basis for a number of years. His remuneration in the year was £108,272 (2020: £87,807) and Tudor made contributions of £18,027 towards his pension (2020: £15,110). In the year, his hours were temporarily increased as Tudor responded to the unfolding pandemic and its effects on grant holders and civil society more broadly.

The Executive Director's remuneration costs are included in the employment costs note. The other trustees' remuneration costs are shown separately as part of the management of grants costs.

None of the other trustees received remuneration.

c) Net expenditure for the year

	2021 Total £000	2020 Total £000
This is stated after charging:		
Operating leases - plant and machinery	9	5
Auditor's remuneration (net of VAT) - statutory audit	14	14
Depreciation	64	64

6. Employment costs

	2021 £000	2020 £000
Wages and salaries	1,075	982
Social Security costs	120	104
Pension costs	171	150
	1,366	1,236

The average head count for the year was 21 (2020: 21). The average full-time equivalent number of employees during the year was 18 (2020: 18).

The following number of employees received employee benefits (excluding employer pension costs and employer national insurance) during the year between:

	2021 £000	2020 £000
£60,000 - £69,999	1	2
£70,000 - £79,999	1	1
£80,000 - £89,999	-	1
£100,000 - £110,000	1	-

Tudor considers that its key management personnel are the trustees, the Director, the Head of Finance and Resources, the Head of Grantmaking and the Head of Research and Information. The total employment benefits of the key management personnel (including employer national insurance and employer pension contributions) were £492,202 (2020: £455,787).

7. Investments

	2021 £000	2020 £000
Fair value of investments at 1 April	239,200	258,822
Purchases at cost made during the year	74,786	48,410
Sales proceeds on disposal	(90,055)	(77,534)
Forward foreign exchange transactions in year	(3,290)	2,953
Increase in investment cash held	5,699	6,477
Net gain on change in fair value	65,111	72
Fair value of investments at 31 March	291,451	239,200

With the exception of the Unlisted UK fixed interest investments and Unlisted Jersey-based Real Estate Fund all investments are listed investments.

7. Investments (continued)

Fair value comprised:

	2021 £000	2020 £000
UK equity investments	16,145	12,100
UK fixed interest investments	60,172	57,393
Overseas equity investments	176,464	130,948
Foreign exchange hedge	23	888
Cash on deposit awaiting investment held in the UK	31,186	25,486
Unlisted Jersey-based Real Estate Fund	7,462	12,385
	291,451	239,200

Derivative financial instruments - foreign exchange contracts

The Trust enters into foreign currency contracts to mitigate the exchange risk for certain foreign currency transactions within its equity investment portfolio. At 31 March 2021 there were two (2020: two) open currency commitments. The unrealised forward foreign exchange transaction was £22,687 (2020: £887,706). This is included within the forward foreign exchange transactions in the year.

The forward currency contracts are measured at fair value using quoted forward exchange rates.

8. Social investments

	2021 £000	2020 £000
Value of investments at 1 April	2,078	1,741
Additions during the year	446	505
Sales proceeds on disposal	(204)	(111)
Net expenditure including management fees	(60)	16
Provisions against investments	67	(73)
	2,327	2,078

Social investments comprise of:

	2021 £000	2020 £000
Charity Bank Limited	455	455
Charities Aid Foundation Community Land Trust Fund I	14	14
Charities Aid Foundation Community Land Trust Fund II	300	203
Charities Aid Foundation Venturesome	248	251
Charities Aid Foundation Venturesome Community Led Housing Fund	139	-
Comrie Development Trust	100	100
Ethical Property Company	230	250
Fair for You	250	250
Gloucestershire Gateway Trust	50	50
Social and Sustainable Housing	540	505
	2,327	2,078

The value of the social investments at the end of year is shown at cost less amounts either provided for or written off. The trustees review the value of the investments annually and where necessary make provisions.

9. Tangible fixed assets

	Freehold land & building £000	Furniture, fittings & equipment £000	Computer equipment £000	Total £000
Cost				
At 1 April 2020	2,145	153	53	2,351
Additions in the year	-	2	11	13
Assets written off in year	-	-	-	-
At 31 March 2021	2,145	155	64	2,364
Depreciation				
At 1 April 2020	1,215	122	34	1,371
Charge for the year	41	5	17	63
Assets written off in year	-	-	-	-
At 31 March 2020	1,256	127	51	1,434
Net book value at 31 March 2021	889	28	13	930
Net book value at 31 March 2020	930	31	19	980

All fixed assets are used for charitable purposes.

10. Debtors

	2021 £000	2020 £000
Accrued investment income	103	238
Other debtors and prepayments	167	48
	270	286

11. Creditors: amounts falling due within one year

	2021 £000	2020 £000
Grants payable (note 16)	15,204	14,272
Trade creditors	15	3
Taxation and Social Security	31	31
Other creditors	14	13
Accruals	286	209
	15,550	14,528

12. Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Grants payable in 2 - 5 years (note 16)	8,311	7,089

13. Movement in funds for the current year

	Funds balances at start of the year £000	Income £000	Expenditure £000	Net investment gains/ (losses) £000	Funds balance at end of year £000
Restricted fund					
Salvaire	302	-	-	-	302
Four Acre Trust	-	400	(400)	-	-
Grant funds	-	106	-	-	106
Total restricted funds	302	506	(400)	-	408
Total unrestricted fund	226,803	4,355	(23,778)	65,111	272,491
Total funds	227,105	4,861	(24,178)	65,111	272,899

Represented by:	Fixed assets £000	Net current liabilities £000	Creditors >1 year £000	Net assets £000
Unrestricted fund	294,709	(13,906)	(8,311)	272,491
Restricted funds	-	408	-	408
	294,709	(13,498)	(8,311)	272,899

Restricted funds

During the 2019 year Tudor was asked to distribute the closing funds of Salvaire (charity number: 1150709). In keeping with its objects Tudor has committed to distribute the £302,000 received during 2019 and 2020 from Salvaire as new grant commitments to charities working in the criminal justice sphere within the greater Sheffield area.

13. Movement in funds note (continued)

Restricted funds (continued)

During the 2021 year Four Acre Trust agreed to contribute to Tudor's grant making to youth projects. In the current year Four Acre funds covered grants totalling £400,000 (in 2020 the funds covered grants totalling £250,000), which were made through our normal grant making process.

Funds to the equivalent of £106,204 were received in the year as a contribution towards a Tudor-funded project in Kampala, Uganda. The implementing partner is expected to draw down these funds across two financial years.

Unrestricted funds

Under the Articles of Association, Capital and Accumulated income are expendable at the trustees' discretion. The Trust has adopted a total return basis of investing. All unexpended funds are therefore held as unrestricted funds.

It is the trustees' current intention to monitor the value of the unrestricted funds in real terms to ensure that they can maintain the Trust's existing level of charitable donations and meet its outstanding grant commitments over future years.

13b. Movement in funds for the year ended 31 March 2020

	Funds balances at start of the year	Income	Expenditure	Net investment gains	Funds balance at end of year
	£000	£000	£000	£000	£000
Restricted fund					
V Kann Rasmussen Foundation	44	-	(44)	-	-
Salvaire	295	7	-	-	302
Four Acre Trust	-	250	(250)	-	-
Total Restricted funds	339	257	(294)	-	302
Unrestricted fund					
General fund	215,012	5,947	(23,026)	18,689	216,622
Revaluation reserve	28,871	-	-	(18,690)	10,181
Total Unrestricted funds	243,883	5,947	(23,026)	(1)	226,803
Total funds	244,222	6,204	(23,320)	(1)	227,105
		Fixed assets £000	Net current liabilities £000	Creditors >1 year £000	Net assets £000
Unrestricted Fund		242,258	(8,366)	(7,089)	226,803
Restricted Funds		-	302	-	302
Represented by:		242,258	(8,064)	(7,089)	227,105

14. Reconciliation of net (expenditure) to net cash flow from operating activities

	2021 £000	2020 £000
Net (expenditure) for the reporting period (as per the statement of financial activities)	(19,384)	(17,116)
Depreciation charges	63	64
Investment income	(4,355)	(5,947)
Other movements on social investments	60	(16)
Movement in working capital:		
decrease/(increase) in debtors	16	(52)
increase/(decrease) in creditors	89	(32)
increase in grant commitments	2,154	2,073
Cash outflow from operating activities	(21,357)	(21,026)

15. Analysis of cash and cash equivalents

	At 1 April 2020 £000	Cash Flows £000	At 31 March 2021 £000
Cash at bank and in hand	6,178	(4,397)	1,781
Investment cash	26,374	4,834	31,208
	32,552	437	32,989

16. Grant commitment reconciliation

	2021 £000	2020 £000
Commitment at the start of the year		
Payable in less than one year (note 11)	14,272	14,115
Payable in more than one year (note 12)	7,089	5,173
	21,361	19,288
Grants committed during the year (note 5a)	20,056	20,941
Grants written back or adjusted (note 5a)	(94)	(108)
Grants paid during the year	(17,808)	(18,760)
Commitment at the end of the year		
Payable in less than one year (note 11)	15,204	14,272
Payable in more than one year (note 12)	8,311	7,089
	23,515	21,361

17. Operating lease commitments

The Trust's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	2021	2020
	£000	£000
Payable within one year	9	9
Payable within two to five years	11	20
	<u>20</u>	<u>29</u>

During the 2021 year, Tudor entered into a new lease agreement with an annual charge of £8,937. The minimum term of the lease is three years and three months.

18. Related organisations

In 2009 the Board agreed to finance the construction of a new family visitors' centre at HMP Wormwood Scrubs through The Family Centre Trust, a new charitable company.

Tudor's director Christopher Graves and the company secretary Aabida Mohmed are two of the three directors of this company. During the 2010 year Tudor committed a grant of £1.35m to FCT for the costs of developing the family and visitors' centre. Practical completion was achieved on 18 May 2011 and the centre was donated to the Ministry of Justice on 29 June 2011.

The Tudor Trust is the sole member of the Family Centre Trust. All trustees of FCT are appointed by the Tudor Trust. When considering future appointments at least three trustees must be individuals who are neither directors of the Tudor Trust nor employed by the Tudor Trust.

The centre continued to operate throughout the year and transactions through FCT are now minimal. In March 2020, following a review, the trustees took the decision to wind the charity up and have instructed solicitors. FCT's balance sheet as at 31 March 2021 and 2020 is as follows; these entries have not been consolidated into the Tudor accounts in this accounting period.

	2021	2020
	£000	£000
Cash at bank and in hand	17	17
Creditors: amounts due within one year	(4)	-
	<u>13</u>	<u>17</u>

19. Capital and other commitments

In December 2015, Tudor entered into a legal agreement with Paloma to invest £7,500,000 in their Real Estate Fund I. At this year's balance sheet date £375,247 of the commitment remained to be drawn.

In June 2018, Tudor entered into a legal agreement with Paloma to invest £7,500,000 in their Real Estate Fund II. At this year's balance sheet date £2,999,546 of the commitment remained to be drawn.

In May 2019, Tudor entered into a legal agreement with Social and Sustainable Capital to invest £1,500,000 into their Building Fund. In October 2020, a further £500,000 was committed to the Fund. At this year's balance sheet date £1,402,093 of the commitment remained to be drawn.

In January 2020, Tudor entered into a legal agreement with Charities Aid Foundation to invest £400,000 in their Venturesome Community Led Housing Fund. At this year's balance sheet date £250,000 of the commitment remained to be drawn.

20. Related party transactions

Matt Dunwell, one of Tudor's trustees owns Ragmans Farm. In 2020, Tudor purchased apple juice from Ragmans at a non-discounted cost of £149 (current year: £nil).

Christopher Graves is both the salaried director of Tudor and a trustee. Full details of his remuneration are set out in note 5. Tudor has four other paid trustees; all of whom are non executive, details of their remuneration is also set out in note 5.

Shilpa Shah, one of Tudor's trustees, is the sister of Jilna Shah who was the interim director at Migrants' Rights Network when we made a grant of £50,000 to this organisation in the 2019 year. As part of a Wellbeing programme, Tudor made a grant of £2,000 to the organisation in the 2021 year, when Jilna Shah was the co-Chief Executive. Shilpa Shah was not involved in the decision to make either of these grants.

There were no other related party transactions.

Note 21. Statement of Financial Activities for the previous year**(incorporating an income and expenditure account)****Year ended 31 March 2020**

	Notes	Unrestricted 2020 £000	Restricted 2020 £000	Total 2020 £000
Income				
Donations	13	-	257	257
Investment income	2	5,947	-	5,947
Total income		5,947	257	6,204
Expenditure				
Costs of raising funds				
Investment Management Costs	3	692	-	692
Expenditure on charitable activities				
Grantmaking				
Grants approved	4/5a	20,647	294	20,941
Grants withdrawn	5a	(108)	-	(108)
Management of grants	5b	1,698	-	1,698
Professional support costs	5b	80	-	80
Governance costs	5b	17	-	17
Cost of grantmaking		22,334	294	22,628
Total expenditure		23,026	294	23,320
Net expenditure before gains and losses on investments		(17,079)	(37)	(17,116)
Net gains on investments	7	72	-	72
Provisions on social investments	8	(73)	-	(73)
Net expenditure for the year and net movement in funds		(17,080)	(37)	(17,117)
Funds balance at beginning of year	13	243,883	339	244,222
Funds balance at the end of the year	13	226,803	302	227,105

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

Independent auditor's report to the members of The Tudor Trust

Opinion

We have audited the financial statements of The Tudor Trust (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or

- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the Audit Group, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members

those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)
13 August 2021
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Reference and administrative information

The Tudor Trust is a charitable company limited by guarantee, incorporated in the United Kingdom. The principal and registered office address is:

7 Ladbroke Grove
London W11 3BD
Telephone: 020 7727 8522 Website: www.tudortrust.org.uk

Company Limited by Guarantee Number 5196041
Registered in England and Wales: Charity Number 1105580

Trustees of the Tudor Trust

Catherine Antcliff	Matt Dunwell * #
Holly Baine	Roz Dunwell
Monica Barlow * #	Christopher Graves * #
Jonathan Bell #	James Long * # (<i>Chair to November 2020</i>)
Nell Buckler *	Francis Runacres
Louise Collins	Shilpa Shah *
Elizabeth Crawshaw	Carey Weeks
Ben Dunwell * (<i>Chair from November 2020</i>)	

* member of the Trustee Committee; # member of the Investment Committee

Jonathan Bell, Lizzie Crawshaw, Matt Dunwell, James Long and Carey Weeks retired from office and were reappointed on 23rd September 2020.

Staff of the Tudor Trust

Ihsaan Budaly	Grants Support Officer
Anna Cooper	Database and Systems Manager
Ruth Crawley	Resources Manager
Joanna de Havilland	Grants Manager (<i>retired June 2020</i>)
Jascha Elliot	Grants Manager
Suneer Fida	Grants Manager (<i>maternity cover from July 2020; permanent role from June 2021</i>)
Eryl Foulkes	Grants Manager
Christopher Graves	Director
Lotte Hiller	PA to the Director
Anne Lane	Head of Grant Making
Nicky Lappin	Head of Research and Information
Meena Mistry	Finance Officer
Aabida Mohmed	Head of Finance and Resources (<i>from July 2020</i>)
Jennifer Oatley	Grants Manager (<i>maternity leave from August 2020</i>)
Annie Salter	Learning and Communications Manager (<i>maternity leave from February 2021</i>)
Catriona Slorach	Grants Manager
Frankie Stevens	Grants Manager
Cathy Togher	Grants Manager
Hannah Torkington	Programme Manager (Africa) (<i>maternity leave from November 2020</i>)

Aris Tsontzos	Database Transition Manager
Ayoade Wallace	Grants Support Officer
Eman Yosry	Resources Officer
Fiona Young	Interim Head of Finance <i>(to August 2020)</i>

Associates of the Tudor Trust

Richard Jenkins	Associate - UK
John Wilson	Associate - Africa Group

Bankers

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Auditor

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Dundee DD1 1QN

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Juxon House
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London EC4M 8BU

Solicitors

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London EC4R 1BE

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2 Putney Hill
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